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Post: Berlin

Overview on the German Wine Sector

Report Categories:

Wine

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Report Highlights:

Germany is the fourth largest wine producer in the EU28 after France, Italy, and Spain. German wine production from the 2016 harvest for marketing in CY 2017 is estimated at 9.1 million hl. Nonetheless, Germany is the world's biggest importer of wine based on volume. On a value basis, Germany ranks third after the United States and the United Kingdom. In 2015, Germany imported 1.5 billion liters of wine at a value of 2.8 billion USD. Imports from the United States amounted to 43 million liters at a value of 94 million USD.

General Information:

Abbreviations and definitions used in this report

CY	Calendar year
EU	European Union
GTA	Global Trade Atlas
Ha	hectare; 1 ha = 2.471 acres
Hl	hectoliter = 100 Liters = 26.42 gallons
L	Liter = 0.2642 gallons
MT	Metric ton = 1000kg
USD	U.S. dollar

Introduction

Germany is the fourth largest wine producer in the EU28 after France, Italy, and Spain.
Germany is one of the most Northern wine growing countries in the world and not all of its territory is suitable for wine production. For climatic reasons wine production is concentrated in 13 designated wine regions that are located either in the South of Germany or around river valleys and thus offer high enough temperatures.

German Wine Region	Area in ha
Rheinhessen	26 578
Pfalz	23 613
Baden	15 800
Wuerttemberg	11 481
Mosel	8 812
Franken	6 087
Nahe	4 202
Rheingau	3 178
Saale-Unstrut	765
Ahr	562
Sachsen	502
Mittelrhein	469
Hessische Bergstrasse	455
Total	102 504

Source: DWI Statistik 2016-17, page 7-8

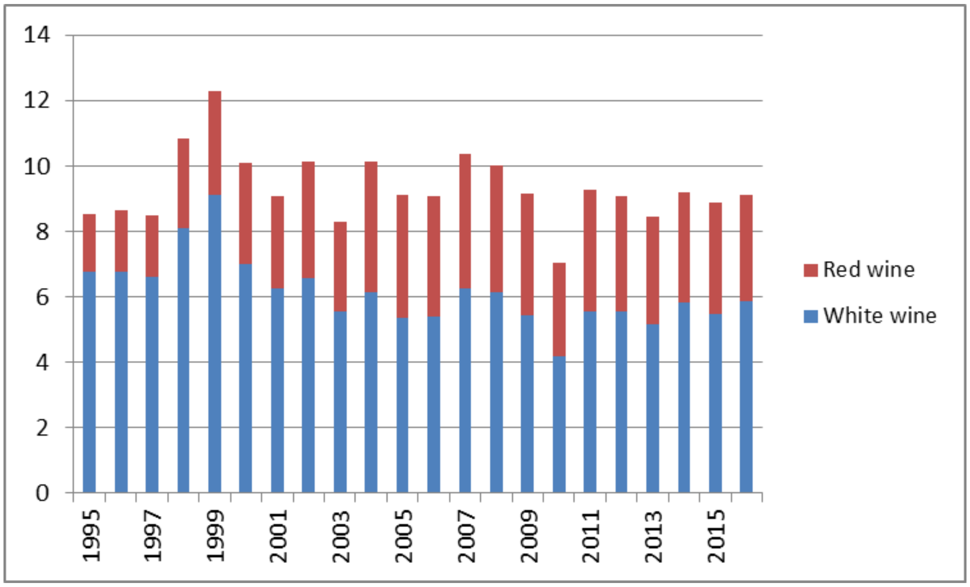
Map of German Wine Growing Regions

Source: German Wine Institute, www.deutscheweine.de

Production:

German wine production from the 2016 harvest for marketing in CY 2017 is estimated at 9.1 million hl. This is an increase of 3 percent compared to the previous year resulting from a rebound in white wine production (plus 7 percent) while red wines decreased by 4 percent. The quality of the 2016 wines is considered above average. Sixty-one percent of the harvested grapes qualify for "Praedikatswein" (premium wine) compared to 49 and 27 percent in 2015 and 2014, respectively. More than 99 percent qualify for controlled appellation wines.

German Wine Production by Year in million hl

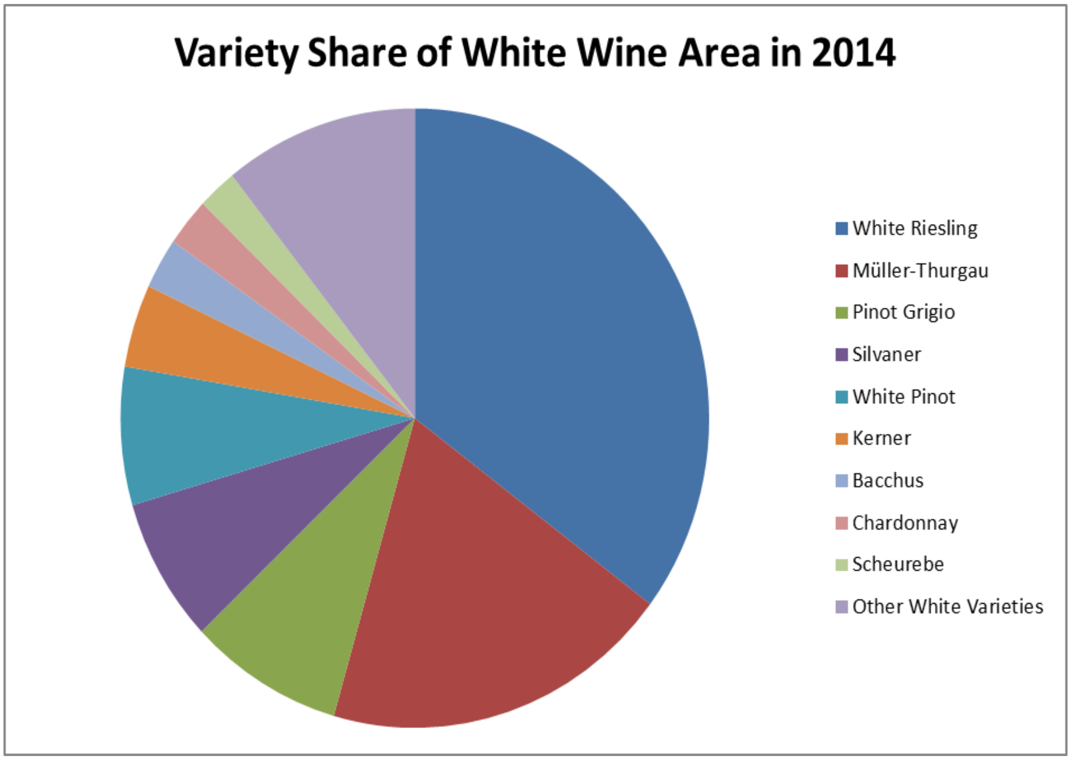


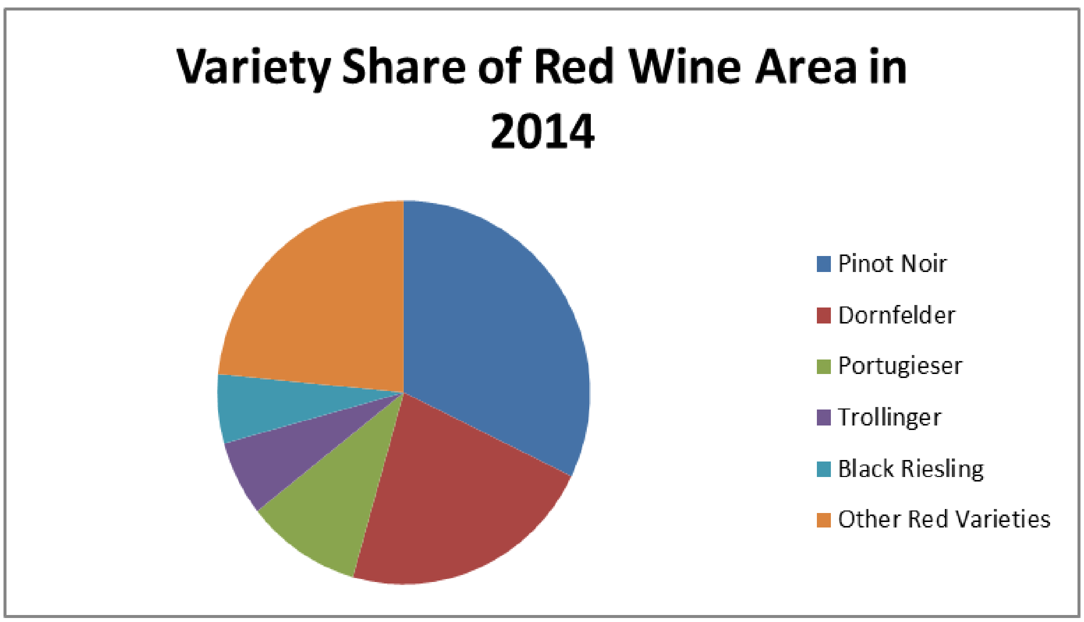
Source: FAS Berlin based on data from German Federal Office of Statistics

In Germany, 102,504 ha are currently planted with grapes for wine production. Of this area 65 percent are planted with white wine varieties and 35 percent with red varieties. However, when looking at the wine production, the relation is 60 percent white and 40 percent red wines as red varieties generally have a slightly higher yield.

The top five white wine varieties grown in Germany are: *Riesling*, *Mueller-Thurgau*, *Pinot Grigio*, *Silvaner*, and *Pinot Blanc*. Together these five varieties account for 78 percent of the planted white wine area. *Pinot Noir*, *Dornfelder*, *Portugieser*, *Trollinger*, and *Black Riesling* are the most popular red varieties and account for 77 percent of the red wine area.

Chart: Share of white and red wine grapes at total white /red wine area in Germany in 2014





Source: FAS Berlin based on data from German Federal Office of Statistics

Consumption:
While Germany is a large wine producing country, it cannot satisfy its consumers' demand for wine in volume as well as in taste. Only 45 percent of household purchases consisted of domestically produced wines. Total consumption of still and sparkling wines in recent years fluctuated between 19.3 and 20.5 million hl. Similarly, per capita consumption undulated between 20.1 and 21.1 liters. For comparison, per capita consumption of beer has been steadily decreasing and in 2015 amounted to 106 liters. In 2015, German households spent 13.6 billion Euro on alcoholic beverages. Within this category, wine and sparkling wine together accounted for 43 percent of expenditures, followed by beer at 25 percent and spirits with 24 percent.

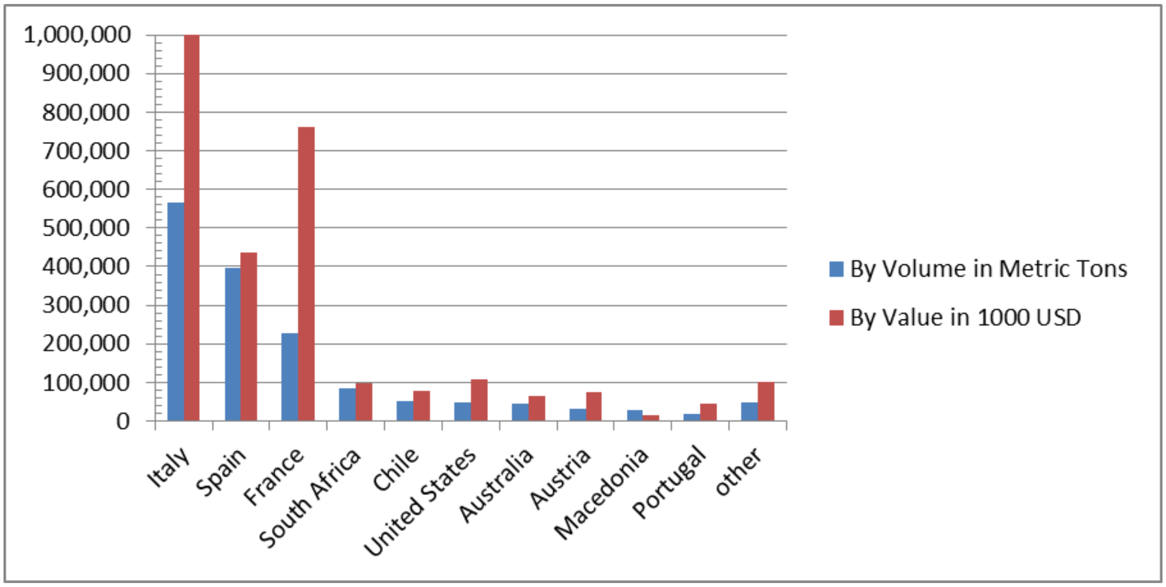
German households tend to favor red wines over white wine. In 2015, 50 percent of household wine purchases at retail stores consisted of red wine, 40 percent of white wines and 10 percent of rosé wines. The situation was reversed when only looking at German wines with 50 percent white wines, 37 percent red, and 13 percent rosé wines, a reflection of the high production share of white wines in Germany.

Trade:
According to Global Trade Atlas database (GTA) and based on volume, Germany is the world's biggest importer of wine. On a value basis, Germany ranks third after the United States and the United Kingdom.

Trade data for 2016 is not yet available. However, the first 11 months of 2016 show a volume decrease of 7 percent for total imports and 6 percent for imports from the United States. On a value basis (USD), German total imports decreased by 4 percent while imports from the United States increased by 7 percent.

In 2015, Germany **imported** 1.5 billion liters of wine. Of these, 58 percent were bulk wines, 37 percent bottles wines, and 4 percent sparkling wines. The top five origins by volume were Italy, Spain, France, South Africa, and Chile with 36, 25, 15, 5, and 3 percent of total imports, respectively. Imports from the United States amounted to 43 million liters. This was an increase of 3 percent compared to 2014. Traditionally, the majority of U.S. wine imported into Germany is shipped as bulk wine and bottled locally. However, the share of wine that is imported from the United States in bottles has increased from 21 percent in 2006 to 43 percent in 2013 and 48 percent in 2015. On a value basis, the top five origins were Italy, France, Spain, the United States, and South Africa, with 35, 27, 15, 3, and 3 percent of total import value. In 2015, Germany imported almost twice as much wine from the United States (43 million liters) as it exported to the United States (22 million liters).

German Wine Imports in CY 2015, by Country, Volume, and Value



Source: FAS Berlin based on data from the German Federal Office of Statistics

German **exports** of wine amounted to 368 million liters in 2015, of which 73 percent were exported in bottles and only 20 percent in bulk. The remaining 7 percent consisted of sparkling wine. Top destinations according to GTA were the Netherlands, the UK, Sweden, Belgium, and the United States, and with 18, 15, 7, 7, and 6 percent of total exports, respectively. However, it is more than likely, that a substantial share of the German exports to the Netherlands consist of trans-shipments, many of which are destined for the United States.

Marketing:
Most of the generic marketing for German wines, both domestically and abroad, is carried out by the German Wine Institute (Deutsches Weininstitut, DWI). The DWI is funded through a mandatory check-off program. The concept of a mandatory check-off program was challenged at the German Constitutional Court but ruled as legitimate in June 2014. For details see GAIN report GM14031. The fee for wine grape growers is based on the acreage and amounts to 67 Euro/ha. The fee for wineries is 0.67 Euro per 100 liters of domestically produced wine that they sell.

DWI export marketing is aided by offices in nine European countries (Belgium, Denmark, Finland, The Netherland, Norway, Poland, Sweden, Switzerland, and the UK), as well as four overseas offices in Canada (Toronto), China, Japan, and the United States (New York City).

In addition, the German Ministry of Food and Agriculture (BMEL) supports pavilions on selected trade shows abroad. In 2017, BMEL will support a German pavilion at Foodex Japan, Tokyo (March 7-10); VINEXPO, Bordeaux/France (June 18 -21); and the Wine & Spirits Fair Hongkong (November 9-11).

The largest German trade show for wine and spirits is the annual **ProWein** show, which is held in Duesseldorf from March 19-21, 2017, and March 18-20, 2018. For more information please visit: www.prowein.com

Related reports:

Constitutional Court Supports Wine Check-off Program|Wine Competitor|Berlin|Germany|10/14/2014

The German Federal Constitutional Court (Bundesverfassungsgericht -BVerfG) rejected a constitutional complaint by 16 German wine-growers against a check-off program called "German Wine Fund" (Deutscher Weinfonds - DWF). The wine-growers took initial legal action against the DWF in June 2009, because they considered compulsory contributions and mandatory payments as unconstitutional. The BVerfG's decision ended a long-term conflict between both parties.
Constitutional Court Supports Wine Check-off Program_Berlin_Germany_9-26-2014

2016|Exporter Guide|Berlin|Germany|12/21/2016

Germany has 82 million of the world's wealthiest consumers and is by far the biggest market in the European Union. The German market offers good opportunities for U.S. exporters of consumer-oriented agricultural products. In 2015, U.S. exports of agricultural products to Germany increased by over 4 percent reaching USD 2.6 billion. Largest segments were soybeans, tree nuts, Alaskan pollock, wine, beef, dried fruits, food preparations, sauces and other consumer- oriented products. This report p...
Exporter Guide_Berlin_Germany_12-16-2016

2016|Retail Foods|Berlin|Germany|11/30/2016

Germany is by far the biggest market in the European Union with good prospects for U.S. food products like tree nuts, wine, processed fruits and vegetables, fruit juices and others. The food retail market is fairly consolidated with high market saturation. Although discounters remained the largest channel in 2015, they recorded a decline in value sales for the first time in five years. This development underlines the trend towards shopping at supermarkets in convenient city locations. Food mark...
Retail Foods_Berlin_Germany_11-22-2016

FAIRS Country Report 2016|Food and Agricultural Import Regulations and Standards - Narrative|Berlin|Germany|2/19/2016

Germany is a member of the European Union (EU) and generally follows EU directives and regulations, including those relating to the importation of food products. This report provides an overview of food laws in force in Germany that cover areas which are not yet harmonized. Food laws currently in force in the EU-28 are summarized in the EU 28 FAIRS report. Disclaimer This report was prepared by the USDA/Foreign Agricultural Service in Berlin, Germany, for U.S. exporters of domestic food...
Food and Agricultural Import Regulations and Standards - Narrative_Berlin_Germany_1-25-2016

Statistical Section:

Germany Import Statistics Commodity: 2204, Wine Of Fresh Grapes, Including Fortified Wines; Grape Must (Having An Alcoholic Strength By Volume Exceeding 0.5% Vol.) Nesoi							
Calendar Year: 2013 - 2015, Year To Date: 11/2015 & 11/2016							
Partner Country	**Unit**				**Year To Date**		
		2013	**2014**	**2015**	**11/2015**	**11/2016**	**%Change**
World	L	1,527,418,9	1,548,231,063	1,541,952,244	1,419,299,868	1,320,668,236	-6.95

		81					
Extra EU-28	L	274,968,481	245,524,701	252,371,895	237,763,931	221,170,228	-6.98
Intra-EU-28	L	1,252,450,494	1,302,706,362	1,289,580,330	1,181,535,918	1,099,497,926	-6.94
Italy	L	579,149,649	562,484,098	554,118,749	509,060,825	471,530,402	-7.37
Spain	L	300,674,988	365,480,306	389,502,390	357,629,504	325,786,476	-8.9
France	L	263,606,099	262,938,842	230,822,687	209,233,323	200,080,523	-4.37
South Africa	L	91,916,165	80,230,754	79,167,930	74,224,984	72,086,289	-2.88
Chile	L	56,453,460	44,600,030	47,734,989	44,385,433	40,153,306	-9.53
United States	**L**	**44,329,862**	**41,606,270**	**42,964,372**	**41,001,211**	**38,466,688**	**-6.18**
Australia	L	37,267,219	34,717,064	38,649,133	36,120,646	34,929,247	-3.3
Austria	L	28,285,471	32,193,385	35,632,110	31,834,274	31,454,942	-1.19
Macedonia	L	31,861,772	30,693,510	29,116,953	28,255,488	21,239,372	-24.83
Denmark	L	19,487,326	19,806,084	20,159,602	19,148,971	19,733,758	3.05
Portugal	L	15,954,392	17,209,989	17,033,390	15,788,284	16,160,113	2.36
Greece	L	15,320,525	11,740,633	13,045,070	11,688,355	10,223,072	-12.54
Hungary	L	13,921,496	13,417,629	12,443,924	11,562,502	10,241,693	-11.42
Argentina	L	5,118,184	6,251,624	5,781,623	5,386,460	4,190,524	-22.2
Netherlands	L	3,414,006	4,033,543	5,063,163	4,600,061	4,487,156	-2.45
Other	L	20,658,367	20,827,302	20,716,159	19,379,547	19,904,675	-2.7

Source: Global Trade Atlas

Germany Export Statistics Commodity: 2204, Wine Of Fresh Grapes, Including Fortified Wines; Grape Must (Having An Alcoholic Strength By Volume Exceeding 0.5% Vol.) Nesoi							
Calendar Year: 2013 - 2015, Year To Date: 11/2015 & 11/2016							
Partner Country	**Unit**				**Year To Date**		
		2013	**2014**	**2015**	**11/2015**	**11/2016**	**%Change**
World	L	402,641,283	390,330,686	367,536,885	337,484,452	330,093,056	-2.19
Extra EU 28	L	92,221,669	83,565,862	78,647,589	73,102,559	73,613,321	0.7
Intra-EU-28	L	308,685,006	304,904,028	287,252,016	262,776,587	254,780,701	-3.04
Netherlands	L	77,687,838	74,374,404	64,594,101	58,581,353	71,544,749	22.13
United Kingdom	L	57,391,893	58,887,502	54,920,772	50,774,836	33,147,382	-34.72
Sweden	L	29,695,158	31,512,012	26,829,359	24,940,734	21,669,260	-13.12

Belgium	L	22,513,739	22,362,222	24,109,027	21,656,571	23,449,232	8.28
United States	**L**	**25,446,904**	**22,922,366**	**22,387,694**	**20,741,018**	**19,993,108**	**-3.61**
Poland	L	22,240,356	19,866,749	21,565,418	19,374,120	20,020,174	3.33
France	L	17,761,089	14,109,054	14,998,715	13,698,347	13,158,804	-3.94
Norway	L	13,028,998	13,436,201	13,727,387	12,974,703	13,078,608	0.8
Austria	L	18,148,665	17,771,620	13,674,586	12,223,294	14,487,944	18.53
Czech Republic	L	9,473,295	9,675,214	10,849,655	9,618,177	9,325,274	-3.05
Denmark	L	11,094,408	9,521,779	10,674,292	9,891,217	9,149,749	-7.5
Switzerland	L	8,092,728	7,982,444	9,897,062	8,996,262	9,880,136	9.82
Italy	L	3,286,158	6,362,149	6,349,667	6,126,583	6,633,421	8.27
Finland	L	5,489,057	6,360,173	6,272,977	5,811,502	6,694,254	15.19
Ireland	L	5,764,015	6,009,123	5,806,113	5,347,968	2,733,973	-48.88
Canada	L	6,499,942	6,214,076	5,781,700	5,528,500	5,484,167	-0.8
China	L	4,636,120	5,302,976	5,135,035	4,773,253	4,944,720	3.59
Spain	L	1,197,840	1,630,080	4,804,795	4,650,823	1,830,214	-60.65
Japan	L	6,097,095	4,523,674	4,451,389	4,221,280	3,274,735	-22.42
Russia	L	14,395,718	8,802,564	4,142,664	3,947,009	3,440,709	-12.83
Other	L	42,700,267	42,704,304	36,564,477	33,606,902	36,152,443	7.57%

Source: Global Trade Atlas